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The legislative instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

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## CONFERENCE COMMITTEE REPORT DIGEST

Senate Bill No. 351 by Senator Murray

### **Keyword and summary of the bill as proposed by the Conference Committee**

TAX/LOCAL. Authorizes the parishes of Calcasieu, Jefferson, and Orleans to establish an automobile rental tax district and to levy an automobile rental tax not to exceed three percent beginning July 1, 2012 upon approval of the voters of the parishes, and to provide for certain distributions of the proceeds. (gov sig)

### **Report adopts House amendments to:**

1. Add Calcasieu Parish to the proposed law and provide for distribution of the proceeds in that parish.
2. Revise the distribution of the proceeds in Jefferson Parish.
3. Specify that the tax applies to rental agreements of "not more than" 29 days, rather than agreements of "less" than 29 days.

### **Report amends the bill to:**

1. Add the Orleans Parish Council on Aging to be used for Senior Centers to the Orleans Parish distribution list in the proposed law.

### **Digest of the bill as proposed by the Conference Committee**

Present law levies, for the period from August 1, 1990, through June 30, 2012, a state tax of 2 ½% and a local tax of ½ of 1% of the gross proceeds derived from the lease or rental of an automobile pursuant to an automobile rental contract, less any sales and use tax included in such contract. Present law excludes from taxation certain transactions involving automobiles rented for purposes of insurance coverage and vehicle repairs. Present law defines "automobile rental contract".

Present law requires that the Dept. of Revenue collect both the state and local taxes, and remit the local taxes to the central sales and use tax collector of each parish. The local collector then distributes the tax proceeds to the political subdivisions in the parish which levy a sales and use

tax.

Present law requires that the local tax collected in Jefferson Parish be distributed as follows:

- (1) 1/3 to the city of Kenner for arts and recreation.
- (2) 2/3 to the Jefferson Performing Arts Society for programs on the east and west bank, with 1/3 of that amount for the Westwego Performing Arts Center.

Present law requires that the local tax collected in Orleans Parish be distributed for road repairs and beautification projects.

Present law sunsets both the state and local taxes on June 30, 2012.

Proposed law enacts provisions of present law for purposes of local taxes in the parishes of Calcasieu, Jefferson and Orleans, which taxes would be levied by a special district created for such purpose.

Proposed law authorizes the governing authorities of the parishes of Calcasieu, Jefferson and Orleans to each create, by ordinance, an automobile rental tax district as a political subdivision of the state. Proposed law provides that the boundaries of the district shall be coterminous with the boundaries of the parish creating the district and the parish governing authority creating the district shall be the governing authority of the district.

Proposed law authorizes the district beginning July 1, 2012, subject to voter approval, to levy an automobile rental tax, not to exceed 3% of the gross proceeds derived from the lease or rental of an automobile pursuant to an automobile rental contract, less any sales and use tax included in such contract. Requires that the election on the question of the levy of the tax be held at the same time as a regularly scheduled election in the parish creating the district.

Proposed law provides for the same exclusions and tax base as present law.

Proposed law requires that the avails of the tax in Orleans Parish be used for road repairs and beautification projects as in present law, and adds the Orleans Parish Council on Aging to be used for Senior Centers to the distribution list.

Proposed law requires that the avails of the tax in Jefferson Parish be distributed as follows:

- (1) 1/3 of total tax collections to the city of Kenner for arts and recreation.
- (2) 2/3 of total tax collections to be disbursed as follows:
  - (a) 4/12ths to the Westwego Performing Arts Center.
  - (b) 3/12ths to the Jefferson Performing Arts Society for programs on the east and

west bank.

- (c) 2/12ths to the Gretna Cultural Center for the Arts.
- (d) All remaining monies to be deposited into a dedicated account for the support of cultural facilities in the unincorporated areas of Jefferson Parish.

Proposed law requires that the avails of the tax in Calcasieu Parish be distributed as follows:

- (1) 1/6 to the political subdivisions in the parish as provided in present law.
- (2) 5/6 to Airport District No. 1 of Calcasieu Parish for the maintenance and operation of the Lake Charles Regional Airport.

Proposed law requires the parish governing authority creating the district to prescribe in the ordinance creating the district any other purposes of the district.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 47:551.1)